

# **Attachment 1**

PPL Montana, LLC  
 Colstrip Steam Electric Station  
 P.O. Box 38  
 Colstrip, MT 59323  
 Tel. 406.748.5055 Fax 406.748.5000 PPL MONTANA, LLC



February 3, 2005

Ms. Julie Merkel, Environmental Specialist  
 Air Resources Management Bureau  
 Montana Department of Environmental Quality  
 PO Box 200901  
 Helena, MT 59620-0901

Dear Ms. Merkel:

I am writing as a follow-up to our phone conversation of January 20, 2005. As you requested, I would like to reiterate in writing what I told you on that call.

PPL Montana is planning to make the following plant efficiency modifications to the Corette and Colstrip Coal fired generating stations:

| Plant           | Modification Description   | Year         |
|-----------------|--|--------------|
| JE Corette      | Modification of the low-pressure turbines, and replacement of the intermediate, and high-pressure turbines and associated components and controls. | Spring, 2005 |
| Colstrip Unit 1 | Replacement of the high and intermediate pressure turbines and associated components.  | Spring, 2006 |
| Colstrip Unit 2 | Replacement of the high and intermediate pressure turbines and associated components   | Spring, 2008 |
| Colstrip Unit 3 | Replacement of the high-pressure turbines and associated components.   | Spring, 2007 |
| Colstrip Unit 4 | Replacement of the high-pressure turbines and associated components.   | Fall, 2006   |

The new turbines will be designed to be more efficient and capture more energy out of the steam that passes through them. Consequently, the plants will operate more efficiently. There will be no increase in fuel consumption or emissions as a result of these changes. These modifications will result in expected net output increases of 8MW, 13 MW per unit, and 23 MW per unit for Corette, Colstrip Units 1&2, and Colstrip Units 3&4, respectively.

PPL Montana routinely reviews our capital projects in order to adequately address any New Source Review (NSR) or Prevention of Significant Deterioration (PSD) issues resulting from such projects. We are in the process of completing our final review of these turbine projects, but our assessment is that these projects do not require additional permitting activity under NSR/PSD.

Because the Corette and Colstrip Units are base loaded units, and the fact that these projects are only improvements in unit efficiency, emissions will not increase as a result of these projects being implemented.

Julie, please contact me at your convenience if you should have any comments or questions. My direct line is (406)-748-5026.

Sincerely,

A handwritten signature in cursive script, appearing to read "James M. Parker".

James M Parker  
Manager, Environmental Engineering Department

JMP/jmp

CC: Dan Gatch  
Steve Christian,  
Damon Obie/Dave Kinnard  
Pete Simonich  
Neil Dennehy  
A. Khanwalker/Reid Clemmer  
Robert J. Barkanic  
Jonathan Martel – Arnold and Porter